# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

STARRED QUESTION NO:275
ANSWERED ON:11.12.2006
SUBSIDY ON HANDLING OF FOODGRAINS
Jha Shri Raghunath

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) Whether the cost of handling of foodgrains by public agencies is very high and the Government spends major part of food subsidy on handling; and

(b) If so, the remedial measures taken to reduce the cost of handling foodgrains for distribution through the Public Distribution System?

## Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a) & (b) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) AND (b) OF THE STARRED QUESTION NO. 275 DUE FOR ANSWER ON 11.12.2006 IN THE LOK SABHA.

(a) : No, Sir. The cost of handling of foodgrains by Food Corporation of India(FCI) as a percentage to the total food subsidy incurred is around 7%.

(b) : To further reduce the handling cost; FCI has, inter-alia, taken/proposed the following measures :

(i)Reduction of surplus labour strength through implementation of Voluntary Retirement Scheme (VRS).

(ii) Redepolyment of labour from surplus areas to deficit areas.

(iii) Revision of handling norms.